

# Perspectives

FOR ACTIVE  
MEMBERS  
OF THE  
NORTH DAKOTA  
PUBLIC  
EMPLOYEES  
RETIREMENT  
SYSTEM

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This newsletter is published by  
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Employees Retirement System  
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### Board Members:

Jon Strinden

*Chairman*

Thomas Trenbeath

*Attorney General Appointee*

Arvy Smith

*State Health Officer Designee*

### Members Elected:

Mike Sandal, Joan Ehrhardt,

Ron Leingang

Sparb Collins

*Executive Director*

Kathy M. Allen

*Editor*

## PERS Board Election

Due to the retirement of Howard Sage and subsequent expiration of his term on June 20, 2008, there is an opening on the North Dakota Public Employees Retirement System (NDPERS) Board. NDPERS is required to give notification of the vacancy and the election process to all active employees. The Board acts as the administering body to manage the Public Employees Retirement System, Judges Retirement System, Highway Patrol Retirement System, North Dakota National Guard System, Law Enforcement Retirement System the Uniform Group Insurance Program, Section 457 Deferred Compensation Plan, Prefunded Retiree Health Program, and the Section 125 FlexComp Program for public employees. In addition, three of the elected members are selected by the board to serve on the State Investment Board.

The Board consists of seven members. The chairman is appointed by the governor. Three members are elected by the active membership, one member is elected by the retired membership, there is an attorney general appointee, and one member is the state health officer. The board meets once a month in Bismarck with the meetings generally lasting four to five hours. Board members are paid \$62.50 per meeting.

Any active employee of a department of the State of North Dakota, or of a political subdivision who participates in NDPERS, may become a candidate for election to the Board so long as that department or political subdivision is not currently represented on the Retirement Board by a board member not up for election (NDCC 54-52-03). Currently, the Department of Human Services and North Dakota Supreme Court have members that serve on the Board, so employees from those agencies are not eligible to become candidates in the upcoming election. The term is for five years beginning on July 1 2008 and ending on June 30, 2013.

An eligible individual must obtain the signatures of 100 active NDPERS members to be nominated as a candidate for the vacancy. Nomination petitions are available from the NDPERS office at 400 East Broadway, Suite 505, Bismarck, ND. You may request this information in writing, by phone or through our e-mail address at [ndpers-info@nd.gov](mailto:ndpers-info@nd.gov). The deadline to submit petitions is 4:00 p.m., Friday, May 2, 2008. Election ballots will be mailed to active members by June 1, 2008 and must

*Continued on page 2*

## Thank You Howard

Due to his retirement, Howard Sage's term as a NDPERS Board member concluded on December 31, 2007. Howard's term began January 1, 1985 and he served on the Board for 22 years. The PERS staff extends its appreciation to Howard for his contribution and dedication during his tenure as a member of the NDPERS Board.



*Howard Sage*

## House Bill 1433 Disease State Management

During the 2007 Legislative session, House Bill 1433 was passed. The bill directs the NDPERS board to establish a collaborative drug therapy program for the treatment of diabetes. Pursuant to the legislation, we requested a proposal from the North Dakota Pharmacists Association to implement this program for our plan.

The Pharmacists Association submitted a proposal to partner with NDPERS and BCBSND to implement and administer a Disease State Management (DSM) program for diabetes. At its January meeting, the Board gave approval to move forward with the program based on the proposal.

The mission of the DSM program for diabetes is to empower and educate patients with diabetes mellitus to develop and improve self-management skills in order to improve quality of life and to reduce complications. This program will be offered to any current NDPERS member that has been identified as having Type 1 or Type 2 diabetes.

At this time, the Pharmacists Association and NDPERS are in the final stages of program development and implementation. Additional details regarding the program, its services and incentives will be available in the near future.

## PERS Board Election

*(Continued from page 1)*

be returned no later than the close of business on Friday, June 13, 2008. Election returns will be tabulated on Monday, June 16, 2008.

If you have any questions about the election, please call the NDPERS office at 701-328-3918 or toll free at 1-800-803-7377 if you are outside the Bismarck-Mandan calling area.

## CIGNA ... Your Dental Plan Carrier

The CIGNA group dental plan is available to employees of state agencies and the University System. We often receive questions from participants about obtaining a member ID card for the dental plan, claim status, or coverage information. Following is information we hope you find useful in accessing dental services and expediting your claims processing:

• **Member ID Card:** ID cards are available and may be printed from the PERS web site at [www.nd.gov/ndpers](http://www.nd.gov/ndpers). Select Forms & Publications from the menu and then the Dental Plan to print a CIGNA dental ID card. The card contains the NDPERS group account number **3328472** as well as the necessary information for you or your provider to file a claim. This card DOES NOT contain your Member ID number. To obtain your Member ID number, you must register on the [myCIGNA.com](http://myCIGNA.com) web site or call CIGNA Customer Support.

• **Member ID Number:** Your Member ID number is a unique number used to identify each plan participant. It starts with a 'U' followed by 9 digits and an individual identifier number beginning with 01 for the subscriber, 02 for the spouse, 03 for first dependent, etc. You have two options available to obtain your Member ID number:

1. If you have not already done so, go to [myCIGNA.com](http://myCIGNA.com) web site home page and select the register button. Complete the personal information as requested. Where it asks for Member ID, provide your social security number and select continue. This will take you to the registration screen. After completing this step you can continue and will be provided with a profile of your account.

You may download and print your Member ID card(s) which contains coverage information as well as your personal Member ID number and NDPERS group account number.

2. If you do not have access to the internet, call CIGNA Customer Support at 1.800.244.6224. Respond 'dental' for type of coverage and 'eligibility' for type of information. A customer service representative will then ask you to verify some personal information before providing you with your Member ID number. CIGNA will not mail out ID cards so please record the number and retain it for future reference.

• **Member Resources:** At [myCIGNA.com](http://myCIGNA.com), you also have convenient access to your personalized information and a variety of resources. You can:

- Download and print dental claim forms,
- View screen shots of your personal individual and family maximums and deductibles,
- Get answers related to common dental procedures,
- Check the status of a claim,
- Use the convenient 'cost calculator' to help you determine your out-of-pocket costs once your dental insurance is applied to your claim, or
- Review your dental plan information.

• **Locating a Dentist:** The Member ID Card contains information about how to locate a dentist. This DOES NOT apply to the PERS plan because we do not have a dental network. You may receive services from the dentist of your choice.

• **Filing Claims:** Your provider can file a claim using either your social security number or your Member ID number.

Be sure and check out the updated Investments Summary Booklet to view the available products in the NDPERS 457 plan. Just go to the NDPERS Website under the Deferred Compensation program and click on the Investment Options Summary. (<http://www.nd.gov/ndpers/forms-and-publications/publications/investment-options.pdf>)

# FlexComp Plan Administrative Changes and Tips

## IRS expands coverage for over-the-counter medications.

**Acne medication** - because acne is considered a disease, the cost of acne treatment will qualify as an over-the-counter expense and will be reimbursed in reasonable quantities without a medical practitioner's note. The cost of regular face creams does not qualify and when the product has both a medical and cosmetic purpose, a note from the medical practitioner recommending the product to treat the medical condition will be required.

**Sunscreen** (with high SPF of 30 or 45) that is used to prevent sunburn will qualify as being used primarily for medical care. Face lotion with a small sunscreen component and suntan lotion do not qualify.

You must submit a detailed receipt showing the product name and date of purchase when filing your claim for reimbursement. Submit a copy of the product label or container cover with your claim if your receipt does not list the product name.

## Claims substantiation for services covered by insurance.

We are frequently asked by participants if a receipt for payment of copayments or other services is sufficient documentation for reimbursement from a health flexible spending account. Although it is the policy of many healthcare networks in the state to collect copayments up front and issue a receipt for this payment, the IRS requires that a health flexible spending account can only reimburse an eligible expense after insurance has processed the claim. To be reimbursed, you must submit a copy of your Explanation of Benefits (EOB) from your insurance carrier that indicates the amounts not covered by insurance.

## You have 24-hour a day on-line access to your account.

This access allows you to view your FlexComp account balance, claim activity, claim history and payment history for the medical and dependent care spending accounts using the PeopleSoft portal. We encourage you to use the portal to view your FlexComp account information.

## Grace period claims.

The grace period provision reduces the possibility of forfeiting any unused balance in your 2007 medical spending account.

If you have a balance in your 2007 plan year medical spending account, you have the option to have eligible expenses incurred during the "grace period" from January 1 through March 15, 2008 reimbursed from the remaining balance.

Section B of the FlexComp Reimbursement Voucher SFN 16868 (12-06) has a box to check if you want medical expenses incurred within the grace period reimbursed from your 2007 plan year account balance. If you do not check this box, your claim will be processed in the plan year in which expenses have been incurred. No adjustments will be made to your account to reprocess the claim.

## Deadline to submit claims for 2007 and Grace Period.

The deadline to file medical and dependent care claims incurred in 2007 or during the grace period is April 30, 2008. Any unused amounts in a medical spending reimbursement account cannot be used for dependent care expenses or vice versa. Any amounts remaining in these accounts after April 30 are forfeited.

## Direct Deposit Option

If you wish to elect or discontinue direct deposit at this time, we require a written request. For employees paid through the Office of Management & Budget, your written request can be submitted to either your agency's payroll/human resource department or NDPERS. If you are paid through your agency's payroll system, your written request must be submitted to NDPERS along with form SFN 53852.

## Outdated

### Reimbursement Vouchers

FlexComp reimbursement vouchers with an earlier revision date than 12-06 will no longer be accepted. The most recent form is available on our web site. Claims submitted on old forms with an earlier revised date will be returned.

## Social Security Number is no longer required.

We will no longer require you to provide your SSN on the reimbursement voucher. All other information in Section A of the form must be completed in its entirety. Please be sure you list all seven digits of your employee identification number on your claim form. Your employee ID number can be found on your FlexComp check or direct deposit advice. Claims received with incomplete or incorrect information may be delayed.

To learn more about the FlexComp Plan, obtain forms, or view your FlexComp account information, visit the NDPERS website at [www.nd.gov/ndpers](http://www.nd.gov/ndpers). If you do not have internet access, you may contact the NDPERS office at 701-328-3900 or 1-800-803-7377 for assistance.

# TOBACCO FREEDOM

*"The first step towards getting somewhere  
is to decide that you are not going to stay where you are."*

*John Pierpont Morgan*

*Anyone who has ever tried to quit smoking or using tobacco knows that simply deciding to quit doesn't usually work. When people give up tobacco, they often experience intense cravings, get cranky or irritable, and may even become depressed. That's why it's important to plan ahead, think about how you'll handle the tough times, and get help.*

## **Who is eligible?**

All current state employees and employees of district health units and their dependents age 18 and older that are covered under the NDPERS health plan are eligible to participate. County, city and other members of the NDPERS group are not eligible through this project; however, smoking cessation funds may be available at the local level.

## **How do I get started?**

If you want to quit smoking, experts recommend that you START by taking the following steps:

**S** – Set a quit date.

**T** – Tell family, friends, and co-workers that you plan to quit.

**A** – Anticipate and plan for the challenges you'll face while quitting.

**R** – Remove cigarettes and other tobacco products from your home, car, and work.

**T** – Talk to your doctor about getting help to quit.

## **Don't go it alone.**

The "T" for "talking to your doctor" is really important. Many people try to quit on their own. But your doctor can offer

you lots of tools that can improve your chances of success. Using nicotine replacement therapy, for example, or one of several prescription drugs, can double the chances that you'll actually quit.

Nicotine skin patches, chewing gum, and lozenges are available over-the-counter. But other forms of the therapy require a prescription. Nasal sprays, for example, and inhalers, which you "puff" on, are available only through your doctor.

Other prescription products that can help include the drugs Zyban and Chantix. Zyban is even available in a generic form called bupropion.

**Quit for the last time. One step at a time.** Take the first step to a tobacco-free life. Go to: <https://www.bcbsnd.com/ehealth/ndpersquit> or call 1-800-223-1704 or 701-282-1400 if calling from the Fargo area.

## TOBACCO FREEDOM

The **hardest** thing to do just got **easier**.

"The first step towards getting somewhere is to decide that you are not going to stay where you are."

—John Pierpont Morgan

**Take the first step to a tobacco-free life.** We'll help by providing free medications and free counseling. Learn more at [www.bcbsnd.com/ehealth/ndpersquit](https://www.bcbsnd.com/ehealth/ndpersquit) or call 1-800-223-1704.



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## **New Health Risk Assessment Tool Available Soon**

Health Dialog is currently in the process of transitioning from their current How's Your Health Health Risk Assessment (HRA) survey tool to a new Personal Health Assessment (PHA) survey instrument.

While the current HRA focuses more on member health problems and risks around chronic disease, pain and symptoms, and physical and emotional function, the new PHA tool will have a decidedly greater focus on assessing and improving overall wellness. This is done through the collection of member data on existing lifestyle behaviors, readiness and willingness to adopt healthy lifestyle habits, nutrition, work absenteeism/pre-senteeism, and biometric screening data, such as blood pressure and cholesterol levels. In addition, questions oriented toward the member's health history also are included in the new PHA. In all, the new PHA tool will provide a rich source of self-reported baseline health data often not available elsewhere.

Health Dialog expects the transition to the new PHA to occur sometime this spring. Please watch for the official announcement when it becomes available.



# NDPERS Receives Award

We are pleased to announce that the Public Pension coordinating Council has awarded the North Dakota Public Employees Retirement System a Public Pension Principles Achievement Award for 2007. The purpose of the award program is to promote high professional standards for public employee retirement systems and to publicly commend the systems that adhere to the standards.

## Certificate of Achievement for Excellence in Financial Reporting

Presented to  
North Dakota  
Public Employees Retirement  
System

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Sharon Schiermeister*

President

*Jeffrey R. Emer*

Executive Director



## Public Pension Coordinating Council Public Pension Standards 2007 Award

Presented to

**North Dakota Public Employees Retirement System**

In recognition of meeting professional standards for  
plan design and administration as  
set forth in the Public Pension Standards.

*Presented by the Public Pension Coordinating Council, a confederation of*

National Association of State Retirement Administrators (NASRA)  
National Conference on Public Employee Retirement Systems (NCPERS)  
National Council on Teacher Retirement (NCTR)

*Alan H. Winkle*

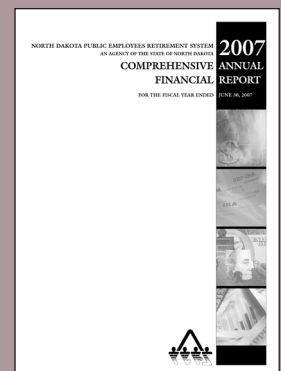
Alan H. Winkle  
Program Administrator

## NDPERS Receives GFOA Recognition

The Certificate of Achievement for Excellence in Financial Reporting has been awarded to NDPERS by the Government Finance Officers Association of the United States and Canada (GFOA) for its 2006 CAFR. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. NDPERS has received this award for the past 11 fiscal years.

## 2007 Comprehensive Annual Financial Report

NDPERS prepares a Comprehensive Annual Financial Report as of June 30 of each year. This report contains detailed financial, investment, actuarial and statistical information for the plans administered by NDPERS. You can view, download or print the report from the NDPERS website at [www.nd.gov/ndpers](http://www.nd.gov/ndpers) under Forms and Publications. If you have any questions on the report, contact Sharon Schiermeister.



## PERS Board Reviews Annual Actuarial Valuations

At its October meeting, the PERS Board reviewed the annual actuarial valuations as of June 30, 2007 with the systems' actuary, The Segal Company. The actuary reported the following to the board:

- The Judges, National Guard, Highway Patrol and Retiree Health Insurance Credit Fund have positive contribution margins. The Main, Law Enforcement with prior Main service, and Law Enforcement without prior Main service have negative contribution margins. The Job Service plan has no contribution margin.

- The funded ratio is above 100% for Judges, National Guard and Job Service but below 100% for Main, Retiree Health Insurance Credit Fund, Law Enforcement with prior Main service, Law Enforcement without prior Main service, and the Highway Patrol Fund.

- The Main System is over 100% funded at market value.

- The number of active members in the Main System increased to 18,299

Retirement System(s)	ASSETS			
	MARKET VALUE		ACTUARIAL VALUE	
	\$\$\$	Rate of Return	\$\$\$	Rate of Return
Main, Judges National Guard & Law Enforcement	\$1.9 billion	19.63%	\$1.5 billion	15.84% (7.8% higher than 8% assumed)
Highway Patrol	\$60.2 million	19.7%	\$48.2 million	16.3% (8.31% higher than 8% assumed)
Job Service	\$ 94.7 million	16.44%	\$75.7 million	12.16% (4.66% higher than 7.5% assumed)
Retiree Health Insurance Credit	\$45.3 million	15.91%	\$38.9 million	10.44% (2.44% higher than 8% assumed)

members compared to 17,887 members as of June 30, 2006. The average age of active members was 47 years compared to 46.8 years the prior year.

- During the last fiscal year, 474 new pensions became effective in the PERS

System. Since benefits became payable under the system, a total of 8,024 retirement pensions have been awarded of which 5,862 remained as of June 30, 2007. The average age of these pensioners is 72 years.

*The articles and opinions in this publication are for general information only and are not intended to provide specific advice or recommendations for any individual. We suggest that you consult your attorney, accountant, financial or tax advisor with regard to your individual situation. This newsletter is available in alternate formats upon request. Printed on recycled paper.*



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